

1 A bill to be entitled
2 An act relating to community-based development
3 organizations; creating the "Community-Based
4 Development Organization Act"; providing
5 legislative findings and intent; providing
6 eligibility requirements for administrative and
7 operating grants to community-based development
8 organizations; providing for award of grants by
9 the Department of Community Affairs for housing
10 and economic development projects; providing a
11 three-tiered plan; providing a description of
12 activities eligible for funding; providing
13 application requirements; providing reporting
14 and evaluation requirements; authorizing the
15 Department of Community Affairs to adopt rules;
16 providing an appropriation; amending s. 212.08,
17 F.S.; revising an exemption from taxation for
18 machinery and equipment used in
19 silicon-technology production and research and
20 development; making the exemption applicable to
21 semiconductor-technology production and
22 research and development; providing an
23 exemption from taxation for building materials
24 purchased for use in manufacturing or expanding
25 clean rooms for semiconductor-manufacturing
26 facilities; revising definitions; revising
27 criteria and procedures; providing a partial
28 exemption for machinery and equipment for use
29 in defense and space technology research and
30 development and production; providing
31 definitions; amending the future repeal date

1 for the exemption for solar energy systems;
2 amending s. 125.0104, F.S.; authorizing
3 counties that levy a tourist development tax
4 after a specified date for the purpose of
5 issuing bonds to construct, reconstruct, or
6 renovate a convention center to pay the
7 operation and maintenance costs of the
8 convention center for the life of the bonds;
9 forgiving certain taxes; providing an effective
10 date.

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12 Be It Enacted by the Legislature of the State of Florida:

13
14 Section 1. This act may be cited as the
15 "Community-Based Development Organization Assistance Act."

16 Section 2. Legislative findings and intent.--

17 (1) The Legislature finds that:

18 (a) Significant declines and consistently depressed
19 appraised values make it impossible for business enterprises,
20 including community-based development organizations, to
21 generate sufficient revenues from business or real estate
22 ventures in low-income neighborhoods to fund the redevelopment
23 costs and other administrative expenses needed to foster new
24 developments in these hard-to-develop areas.

25 (b) This deterioration contributes to the decline of
26 neighborhoods in both rural and urban areas, causes a
27 reduction of the value of property comprising the tax base of
28 local communities, and eventually requires the expenditure of
29 disproportionate amounts of public funds for health, social
30 services, and police protection to prevent the development of
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1 slums and the social and economic disruption found in slum
2 communities.

3 (c) The available means of eliminating or reducing
4 these deteriorating economic conditions and encouraging local
5 resident participation and support is to provide support
6 assistance and resource investment to community-based
7 development organizations. The Legislature also finds that
8 community-based development organizations can contribute to
9 the creation of jobs in response to federal welfare reform and
10 state WAGES Program legislation, and economic development
11 activities related to urban and rural economic initiatives.

12 (2) The intent of this legislation is to provide
13 community-based development organizations with the necessary
14 administrative and operating funds to retain project staff to
15 plan, implement, and manage job-generating and community
16 revitalization developments in distressed neighborhoods. This
17 assistance will strengthen the community-based development
18 organizations, assist local governments to enhance and expand
19 revitalization efforts, and contribute to expanding the base
20 of commerce, business, and affordable housing that will serve
21 persons with very low incomes or low incomes, or WAGES
22 recipients, using a bottom-up approach.

23 Section 3. Eligibility for
24 assistance.--Community-based development organizations that
25 meet the following requirements shall be eligible for
26 assistance.

27 (1) The community-based development organization must
28 be a nonprofit corporation under state law and s. 501(c)(3) of
29 the United States Internal Revenue Code.

30 (2) A majority of the board members of the
31 community-based development organization must be elected by

1 those members of the corporation who are stakeholders,
2 comprising a mix of service area residents, area business
3 property owners, area employees, and low-income residents.
4 The board of a community-based development organization shall
5 include low-income residents.

6 (3) The community-based development organization must
7 maintain a service area in which economic and housing
8 development projects are located and must further meet one or
9 more of the following criteria:

10 (a) The area has been designated pursuant to section
11 163.355, Florida Statutes, as a slum area or a blighted area,
12 as defined in section 163.340, Florida Statutes, or is located
13 completely within the boundaries of a slum area or a blighted
14 area.

15 (b) The area is a community development block grant
16 program area in which community development block grant funds
17 are currently being spent or have been spent during the last 3
18 years as certified by the local government in which the
19 service area is located.

20 (c) The area is a neighborhood housing service
21 district.

22 (d) The area is contained within a state enterprise
23 zone designated on or after July 1, 1995, in accordance with
24 section 290.0065, Florida Statutes.

25 (e) The area is contained in federal empowerment zones
26 and enterprise communities.

27 Section 4. Three-tiered plan.--The Department of
28 Community Affairs is authorized to award core administrative
29 and operating grants. Administrative and operating grants
30 shall be used for staff salaries and administrative expenses
31 for eligible community-based development organizations

1 selected through a competitive three-tiered process for the
2 purpose of housing and economic development projects. The
3 department shall adopt by rule a set of criteria for
4 three-tiered funding that shall ensure equitable geographic
5 distribution of the funding throughout the state. This
6 three-tiered plan shall include emerging, intermediate, and
7 mature community-based development organizations recognizing
8 the varying needs of the three tiers. Funding shall be
9 provided for core administrative and operating grants for all
10 levels of community-based development organizations. Priority
11 shall be given to those organizations that demonstrate
12 community-based productivity and high performance as evidenced
13 by past projects developed with stakeholder input that have
14 responded to neighborhood needs, and have current projects
15 located in high-poverty neighborhoods, and to emerging
16 community-based development corporations that demonstrate a
17 positive need identified by stakeholders. Persons, equipment,
18 supplies, and other resources funded in whole or in part by
19 grant funds shall be utilized to further the purposes of this
20 act, and may be utilized to further the goals and objectives
21 of the Front Porch Florida Initiative. The one-time
22 appropriation provided in this act shall be distributed by the
23 Department of Community Affairs, to be used in a constructive
24 manner by community-based development organizations across the
25 state. Thereafter, each community-based development
26 organization shall be eligible to apply for a grant of up to
27 \$50,000 per year for a period of 5 years.

28 Section 5. Eligible activities.--Activities eligible
29 for assistance pursuant to this act include, but are not
30 limited to:
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1 (1) Preparing grant and loan applications, proposals,
2 fundraising letters, and other documents essential to securing
3 additional administrative or project funds to further the
4 purposes of this act.

5 (2) Monitoring and administering grants and loans,
6 providing technical assistance to businesses, and any other
7 administrative tasks essential to maintaining funding
8 eligibility or meeting contractual obligations.

9 (3) Developing local programs and home ownership
10 housing projects to encourage the participation of financial
11 institutions, insurance companies, attorneys, architects,
12 engineers, planners, law enforcement officers, developers, and
13 other professional firms and individuals providing services
14 beneficial to redevelopment efforts.

15 (4) Providing technical, accounting, and financial
16 assistance and information to businesses and entrepreneurs
17 interested in locating, expanding, or operating in the service
18 area.

19 (5) Coordinating with state, federal, and local
20 governments and other nonprofit organizations to ensure that
21 activities meet local plans and ordinances and to avoid
22 duplication of tasks.

23 (6) Assisting service area residents in identifying
24 and determining eligibility for state, federal, and local
25 housing programs, including rehabilitation, weatherization,
26 home ownership, rental assistance, or public housing programs.

27 (7) Developing, selling, owning, and managing
28 subsidized affordable housing designed for persons with very
29 low incomes or low incomes, or for WAGES recipients, or
30 developing, selling, owning, and managing subsidized
31 affordable industrial parks providing jobs to such persons.

1 (8) Obtaining technical assistance to build capacity
2 to support community-based development organization projects.

3 Section 6. Application requirements.--A
4 community-based development organization applying for a core
5 administrative and operating grant pursuant to this act must
6 submit a proposal to the Department of Community Affairs that
7 includes:

8 (1) A map and narrative description of the service
9 areas for the community-based development organization.

10 (2) A copy of the documents creating the
11 community-based development organization.

12 (3) A listing of the membership of the board of the
13 community-based development organization, including individual
14 members' terms of office and the number low-income residents
15 on the board.

16 (4) The organization's annual revitalization plan that
17 describes the expenditure of the funds, including goals,
18 objectives, and expected results, and has a clear relationship
19 to the local municipality's comprehensive plan.

20 (5) Other supporting information that may be required
21 by the Department of Community Affairs to determine the
22 organization's capacity and productivity.

23 (6) A description of the location, financing plan, and
24 potential impact of the business enterprises on residential,
25 commercial, or industrial development, that shows a clear
26 relationship to the organization's annual revitalization plan
27 and demonstrates how the proposed expenditures are directly
28 related to the scope of work for the proposed projects in the
29 annual revitalization plan.

30 Section 7. Reporting and evaluation
31 requirements.--Community-based development organizations that

1 receive funds under this act shall provide the following
2 information to the Department of Community Affairs annually:

3 (1) A listing of business firms and individuals
4 assisted by the community-based development organization
5 during the reporting period.

6 (2) A listing of the type, source, purpose, and amount
7 of each individual grant, loan, or donation received by the
8 community-based development organization during the reporting
9 period.

10 (3) The number of paid and voluntary positions within
11 the community-based development organization.

12 (4) A listing of the salaries and administrative and
13 operating expenses of the community-based development
14 organization.

15 (5) An identification and explanation of changes in
16 the boundaries of the target area.

17 (6) The amount of earned income from projects,
18 programs, and development activities.

19 (7) The number and description of projects in
20 predevelopment phase, projects under construction, ongoing
21 service programs, construction projects completed, and
22 projects at sell-out or lease-up and property management
23 phase, and a written explanation of the reasons that caused
24 any projects not to be completed for the projected development
25 phase.

26 (8) The impact of the projects, as a result of
27 receiving funding under this act, on residents in the target
28 area, and the relationship of this impact to expected outcomes
29 listed in the organization's annual revitalization plan.

30 (9) The number of housing units rehabilitated or
31 constructed at various stages of development, predevelopment

1 phase, construction phase, completion and sell-out or lease-up
2 phase, and condominium or property management phase by the
3 community-based development organization within the service
4 area during the reporting period.

5 (10) The number of housing units, number of projects,
6 and number of persons served by prior projects developed by
7 the organization, the amounts of project financing leverage
8 with state funds for each prior and current project, and the
9 incremental amounts of local and state real estate tax and
10 sales tax revenue generated directly by the projects and
11 programs annually.

12 (11) The number of jobs, both permanent and temporary,
13 received by individuals who were directly assisted by the
14 community-based development organization through assistance to
15 the business such as a loan or other credit assistance.

16 (12) An identification and explanation of changes in
17 the boundaries of the service area.

18 (13) The impact of completed projects on residents in
19 the target area and the relationship of this impact to
20 expected outcomes listed in the organization's annual
21 revitalization plan.

22 (14) Such other information as the Department of
23 Community Affairs requires.

24 Section 8. The Department of Community Affairs shall
25 adopt rules for the administration of this act.

26 Section 9. There is hereby appropriated from the
27 General Revenue Fund the sum of \$1 million to be distributed
28 as grants to community-based development organizations as
29 provided by this act.

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1 Section 10. Paragraph (j) of subsection (5) and
2 paragraph (mm) of subsection (7) of section 212.08, Florida
3 Statutes, are amended to read:

4 212.08 Sales, rental, use, consumption, distribution,
5 and storage tax; specified exemptions.--The sale at retail,
6 the rental, the use, the consumption, the distribution, and
7 the storage to be used or consumed in this state of the
8 following are hereby specifically exempt from the tax imposed
9 by this chapter.

10 (5) EXEMPTIONS; ACCOUNT OF USE.--

11 (j) Machinery and equipment used in semiconductor,
12 defense, or space ~~silicon~~ technology production and research
13 and development.--

14 1.a. Industrial machinery and equipment used ~~purchased~~
15 ~~for use~~ in semiconductor ~~silicon~~ technology facilities
16 certified under subparagraph 6.5 to manufacture, process,
17 compound, or produce semiconductor ~~silicon~~ technology products
18 for sale or for use by these facilities are exempt from the
19 tax imposed by this chapter. For purposes of this paragraph,
20 industrial machinery and equipment includes molds, dies,
21 machine tooling, other appurtenances or accessories to
22 machinery and equipment, testing equipment, test beds,
23 computers, and software, whether purchased or self-fabricated,
24 and, if self-fabricated, includes materials and labor for
25 design, fabrication, and assembly.

26 b. Industrial machinery and equipment used in defense
27 or space technology facilities certified under subparagraph 6.
28 to manufacture, process, compound, or produce defense
29 technology products or space technology products for sale or
30 for use by these facilities are exempt from 25 percent of the
31 tax imposed by this chapter.

1 2.a. Machinery and equipment are exempt from the tax
2 imposed by this chapter if used ~~purchased for use~~
3 predominately in semiconductor ~~silicon~~ wafer research and
4 development activities in a semiconductor ~~silicon~~ technology
5 research and development facility certified under subparagraph
6 ~~6.5.~~For purposes of this paragraph, machinery and equipment
7 includes molds, dies, machine tooling, other appurtenances or
8 accessories to machinery and equipment, testing equipment,
9 test beds, computers, and software, whether purchased or
10 self-fabricated, and, if self-fabricated, includes materials
11 and labor for design, fabrication, and assembly.

12 b. Machinery and equipment are exempt from 25 percent
13 of the tax imposed by this chapter if used predominately in
14 defense or space research and development activities in a
15 defense or space technology research and development facility
16 certified under subparagraph 6.

17 3. Building materials purchased for use in
18 manufacturing or expanding clean rooms in
19 semiconductor-manufacturing facilities are exempt from the tax
20 imposed by this chapter.

21 ~~4.3.~~ In addition to meeting the criteria mandated by
22 subparagraph 1., ~~or~~ subparagraph 2., or subparagraph 3., a
23 business must be certified by the Office of Tourism, Trade,
24 and Economic Development as authorized in this paragraph in
25 order to qualify for exemption under this paragraph.

26 ~~5.4.~~ For items purchased tax exempt pursuant to this
27 paragraph, possession of a written certification from the
28 purchaser, certifying the purchaser's entitlement to exemption
29 pursuant to this paragraph, relieves the seller of the
30 responsibility of collecting the tax on the sale of such
31 items, and the department shall look solely to the purchaser

1 for recovery of tax if it determines that the purchaser was
2 not entitled to the exemption.

3 6.5.a. To be eligible to receive the exemption
4 provided by subparagraph 1. ~~or~~ subparagraph 2., or
5 subparagraph 3., a qualifying business entity shall apply to
6 Enterprise Florida, Inc. The application shall be developed by
7 the Office of Tourism, Trade, and Economic Development in
8 consultation with Enterprise Florida, Inc.

9 b. Enterprise Florida, Inc., shall review each
10 submitted application and information and determine whether or
11 not the application is complete within 5 working days. Once an
12 application is complete, Enterprise Florida, Inc., shall,
13 within 10 working days, evaluate the application and recommend
14 approval or disapproval of the application to the Office of
15 Tourism, Trade, and Economic Development.

16 c. Upon receipt of the application and recommendation
17 from Enterprise Florida, Inc., the Office of Tourism, Trade,
18 and Economic Development shall certify within 5 working days
19 those applicants who are found to meet the requirements of
20 this section and notify the applicant, Enterprise Florida,
21 Inc., and the department of the certification. If the Office
22 of Tourism, Trade, and Economic Development finds that the
23 applicant does not meet the requirements of this section, it
24 shall notify the applicant and Enterprise Florida, Inc.,
25 within 10 working days that the application for certification
26 has been denied and the reasons for denial. The Office of
27 Tourism, Trade, and Economic Development has final approval
28 authority for certification under this section.

29 ~~7.6~~.a. A business ~~certified to receive this exemption~~
30 may apply once each year for the exemption.

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1 ~~b. The first claim submitted by a business may include~~
2 ~~all eligible expenditures made after the date the business was~~
3 ~~certified.~~

4 ~~b.c. To apply for the annual exemption, the business~~
5 ~~shall submit a claim to the Office of Tourism, Trade, and~~
6 ~~Economic Development, which claim indicates and documents the~~
7 ~~sales and use taxes otherwise payable on eligible machinery~~
8 ~~and equipment. The application claim must also indicate, for~~
9 ~~program evaluation purposes only, the average number of~~
10 ~~full-time equivalent employees at the facility over the~~
11 ~~preceding calendar year, the average wage and benefits paid to~~
12 ~~those employees over the preceding calendar year, and the~~
13 ~~total investment made in real and tangible personal property~~
14 ~~over the preceding calendar year, and the total value of~~
15 ~~tax-exempt purchases and taxes exempted during the previous~~
16 ~~year or, for the first claim submitted, since the date of~~
17 ~~certification. The department shall assist the Office of~~
18 ~~Tourism, Trade, and Economic Development in evaluating and~~
19 ~~verifying information provided in the application for~~
20 ~~exemption.~~

21 ~~c.d.~~ The Office of Tourism, Trade, and Economic
22 Development may use the information reported on the
23 application claims for evaluation purposes only and shall
24 prepare an annual report on the exemption program and its cost
25 and impact. The annual report for the preceding fiscal year
26 shall be submitted to the Governor, the President of the
27 Senate, and the Speaker of the House of Representatives by
28 September 30 of each fiscal year. This report may be submitted
29 in conjunction with the annual report required in s.
30 288.095(3)(c).

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1 8.7. A business certified to receive this exemption
2 may elect to designate one or more state universities or
3 community colleges as recipients of up to 100 percent of the
4 amount of the exemption for which they may qualify. To receive
5 these funds, the institution must agree to match the funds so
6 earned with equivalent cash, programs, services, or other
7 in-kind support on a one-to-one basis in the pursuit of
8 research and development projects as requested by the
9 certified business. The rights to any patents, royalties, or
10 real or intellectual property must be vested in the business
11 unless otherwise agreed to by the business and the university
12 or community college.

13 9.8. As used in this paragraph, the term:

14 a. "Predominately" means at least 50 percent of the
15 time in qualifying research and development.

16 b. "Research and development" means basic and applied
17 research in the science or engineering, as well as the design,
18 development, and testing of prototypes or processes of new or
19 improved products. Research and development does not include
20 market research, routine consumer product testing, sales
21 research, research in the social sciences or psychology,
22 nontechnological activities, or technical services.

23 c. "Semiconductor ~~silicon~~ technology products" means
24 raw semiconductor ~~silicon~~ wafers or semiconductor thin films
25 that are transformed into semiconductor memory or logic
26 wafers, including wafers containing mixed memory and logic
27 circuits; related assembly and test operations; active-matrix
28 flat panel displays; semiconductor chips; semiconductor
29 lasers; optoelectronic elements; and related semiconductor
30 ~~silicon~~ technology products as determined by the Office of
31 Tourism, Trade, and Economic Development.

1 d. "Clean rooms" means manufacturing facilities
2 enclosed in a manner that meets the clean manufacturing
3 requirements necessary for high-technology
4 semiconductor-manufacturing environments.

5 e. "Defense technology products" means products that
6 have a military application, including, but not limited to,
7 weapons, weapons systems, guidance systems, surveillance
8 systems, communications or information systems, munitions,
9 aircraft, vessels, or boats, or components thereof, which are
10 intended for military use and manufactured in performance of a
11 contract with the United States Department of Defense or the
12 military branch of a recognized foreign government or a
13 subcontract thereunder which relates to matters of national
14 defense.

15 f. "Space technology products" means products that are
16 specifically designed or manufactured for application in space
17 activities, including, but not limited to, space launch
18 vehicles, missiles, satellites or research payloads, avionics,
19 and associated control systems and processing systems. The
20 term does not include products that are designed or
21 manufactured for general commercial aviation or other uses
22 even though those products may also serve an incidental use in
23 space applications.

24 (7) MISCELLANEOUS EXEMPTIONS.--

25 (mm) Solar energy systems.--Also exempt are solar
26 energy systems or any component thereof. The Florida Solar
27 Energy Center shall from time to time certify to the
28 department a list of equipment and requisite hardware
29 considered to be a solar energy system or a component thereof.
30 This exemption is repealed July 1, 2005 ~~2002~~.

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1 Exemptions provided to any entity by this subsection shall not
2 inure to any transaction otherwise taxable under this chapter
3 when payment is made by a representative or employee of such
4 entity by any means, including, but not limited to, cash,
5 check, or credit card even when that representative or
6 employee is subsequently reimbursed by such entity.

7 Section 11. Paragraph (1) of subsection (3) of section
8 125.0104, Florida Statutes, is amended to read:

9 125.0104 Tourist development tax; procedure for
10 levying; authorized uses; referendum; enforcement.--

11 (3) TAXABLE PRIVILEGES; EXEMPTIONS; LEVY; RATE.--

12 (1) In addition to any other tax which is imposed
13 pursuant to this section, a county may impose up to an
14 additional 1-percent tax on the exercise of the privilege
15 described in paragraph (a) by majority vote of the governing
16 board of the county in order to:

17 1. Pay the debt service on bonds issued to finance the
18 construction, reconstruction, or renovation of a professional
19 sports franchise facility, or the acquisition, construction,
20 reconstruction, or renovation of a retained spring training
21 franchise facility, either publicly owned and operated, or
22 publicly owned and operated by the owner of a professional
23 sports franchise or other lessee with sufficient expertise or
24 financial capability to operate such facility, and to pay the
25 planning and design costs incurred prior to the issuance of
26 such bonds.

27 2. Pay the debt service on bonds issued to finance the
28 construction, reconstruction, or renovation of a convention
29 center, and to pay the planning and design costs incurred
30 prior to the issuance of such bonds.

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1 3. Pay the operation and maintenance costs of a
2 convention center for a period of up to 10 years. Only
3 counties that have elected to levy the tax for the purposes
4 authorized in subparagraph 2. may use the tax for the purposes
5 enumerated in this subparagraph. Any county that elects to
6 levy the tax for the purposes authorized in subparagraph 2.
7 after July 1, 2000, may use the proceeds of the tax to pay the
8 operation and maintenance costs of a convention center for the
9 life of the bonds.

10
11 The provision of paragraph (b) which prohibits any county
12 authorized to levy a convention development tax pursuant to s.
13 212.0305 from levying more than the 2-percent tax authorized
14 by this section, and the provisions of paragraphs (4)(a)
15 through (d), shall not apply to the additional tax authorized
16 in this paragraph. The effective date of the levy and
17 imposition of the tax authorized under this paragraph shall be
18 the first day of the second month following approval of the
19 ordinance by the governing board or the first day of any
20 subsequent month as may be specified in the ordinance. A
21 certified copy of such ordinance shall be furnished by the
22 county to the Department of Revenue within 10 days after
23 approval of such ordinance.

24 Section 12. This act shall take effect January 1,
25 2001.